



FIRST  
FARMERS  
BANK & TRUST

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# How to Fund a Digester

- Bring lots of money!!
- Have plenty of poop!!
- Get a really high electric rate!!

# What the Investor/Banker needs

- Sound Business model-details, details
- Accurate cash flows
- Construction contract
- Power Purchase Agreement
- Management

# Sources of Funding

- Investor cash is important
- USDA loans and grants
- USDA Rural Development Loan Program Business and Industry guarantee
- Rural Energy for America Program grant (9007) or loan guarantee. Make sure you have a good grant writer.

# More funds

- Department of Treasury “#1603” 30% grant on eligible cost. Construction must begin before 12-31-2011.

# Bank Funding

- You can't have too much info, this is new territory for most banks
- Understand banks are not investors!!  
They don't like risk!

# Limiting Risk

- Maximum cost contracts
- Performance Bonds
- Substrate supply???
- Qualified management

# Do your homework

- Understand the system
- Challenge every assumption
- Talk to those who have already done it
- Use professional for advice
- Don't hurry



Questions?????